CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF MEETING, Public Session

April 19, 2005

Call to order: Chairman Liane Randolph called the monthly meeting of the Fair Political Practices Commission (Commission) to order at 9:52 a.m., at 428 J Street, Eighth Floor, Sacramento, California. In addition to Chairman Randolph, Commissioners Phil Blair, Sheridan Downey, Eugene Huguenin, and Ray Remy were present.

Chairman Randolph announced that item #14 will not be considered during the meeting set for today. The Commission received correspondence on the item after hours on Wednesday evening, the day before the meeting, and the legal division would like to consider the correspondence and bring the item before the Commission at a later date.

Chairman Randolph also announced that item 19(e) was added to the closed session agenda and that notice for the item was posted last week. Subsequent to publication of the April agenda, an issue arose that needs consideration by the Commission in *California Republican Party v. FPPC*. Notice was posted last week indicating that this item was to be added, but it also needed a two-thirds vote by the Commission in order for the Commission to consider the item during closed session.

Commissioner Blair moved to approve the addition of item 19(e) to the closed session agenda.

Commissioner Remy seconded the motion. Commissioners Blair, Downey, Huguenin, Remy, and Chairman Randolph supported the motion, which carried with a 5-0 vote.

Item #1. Public Comment.

James Harrison, from Remcho, Johansen, and Purcell, apologized for sending his letter (regarding item #14) to the Commission so late and explained that the item came to his firm's attention when they saw a press release that mentioned it. He wanted to ensure that they would have an opportunity to be heard on the matter. He said that, assuming he will have that opportunity, he will sit down and reappear at a later date, when the item will be considered.

Chairman said that yes, the letter requested that the firm be heard on the item, and she confirmed that they will be given a chance to be heard.

Items #2, #3, #4, #5, #6, #7, #8, #9, #10, #11.

Commissioner Remy mentioned that there was a typo on the report for item #7, the last page says there is a $3,000 fine but lists $2,000 in parentheses.

Chairman Randolph said that it appears from the rest of the information on the document that $2,000 is the correct fine.

Commissioner Downey noticed that on item #3, the proof of service said "probate cause" instead of "probable cause." He assumed that this was a typo by the process server and not a description that was used in the original document.

Enforcement Division Chief Steven Russo said that Commissioner Downey's assumption was correct.

Commissioner Downey moved approval of the following items in unison, as amended for the typos mentioned:

Item #2. Approval of the March 21, 2005, Commission Meeting Minutes.

Item #3. In the Matter of Yes on Measure G, Committee for Measure B: Measure B for Berryessa, and Lawrence S. Nichols, FPPC No. 98/597.

Item #4. In the Matter of Nathaniel Bates, Richmond City Councilman Nat Bates, Nat Bates for Mayor, and Larry Bates, FPPC No. 99/726.

Item #5. In the Matter of Black Men & Women and George Livingston, FPPC No. 99/726.

Item #6. In the Matter of Jack Scott, Jack Scott for State Senate Committee, and Jonathan Fuhrman, FPPC No. 02/507.

Item #7. In the Matter of George E. Williams, Williams for Supervisor, and Gloria F. Cavenee, FPPC No. 03/027.

Item #8. In the Matter of Andy Quach, Andy Quach for City Council, and Diemmy N. Tran, FPPC No. 01/205.

Item #9. In the Matter of Kevin Dunigan, FPPC No. 04/110.

Item #10. Failure to Timely Disclose Late Contributions -- Proactive Program.

a. **In the Matter of GenCorp, Inc., FPPC No. 04/723 (3 counts).**

b. **In the Matter of Anaflor Q. Smith, FPPC No. 05/121 (1 count).**

c. **In the Matter of Turner Construction Company, FPPC No. 05/123 (1 count).**

d. **In the Matter of 3D/International, FPPC No. 05/125 (2 counts).**

e. **In the Matter of Outback Steakhouse, Inc., FPPC No. 05/126 (1 count).**

f. **In the Matter of DMB Ladera, LLC, FPPC No. 05/129 (1 count).**

g. **In the Matter of Southland Motor Car Dealers Association, FPPC No. 05/130 (1 count).**

h. **In the Matter of V. EMailing Company, FPPC No. 05/133 (1 count).**

Item #11. Failure to Timely File Major Donor Campaign Statements.

a. **In the Matter of Colich & Sons, L.P., FPPC No. 03/572 (1 count).**

b. **In the Matter of Comcast Corporation and Affiliated Entities, FPPC No. 05/187 (2 counts).**

Commissioner Blair seconded the motion. Commissioners Blair, Downey, Huguenin, Remy, and Chairman Randolph supported the motion, which carried with a 5-0 vote.

ACTION ITEMS

Item #12. Adoption of Regulation 18465.1 - Eliminating Paper Copies of Quarterly Lobbying Disclosure Reports.

Senior Commission Counsel Scott Tocher said that staff proposes to the Commission to adopt regulation 18465.1 to implement a portion of the Online Disclosure Act of 1997. This regulation is back again after the January meeting, where the Commission determined that the online filing system operated by the Secretary of State function in a manner that permits the elimination of paper filings for lobbying activity reports. The Commission recommended that a regulation be adopted to clarify that filers whose reports are filed by a third party are still subject to the penalty of perjury.

Commissioner Remy commented that he had no problem with the recommendation, but a few people have asked him about the expansion of electronic filing for other purposes. He asked whether major donors, for example, might have a webpage or be able to link to other filing agencies so that the information would be rapidly available and so that they may be alerted of contribution thresholds and limits. Some say the system is complicated, and it reaches the point where they would prefer not to contribute financially. He asked whether anyone was looking at the expansion of electronic filing for the individual donor with electronic links to other agencies that require notification.

Mr. Tocher responded that the Online Disclosure Act places the Secretary of State in charge of the creation and maintenance of the system. The Commission and the Secretary of State work together on this, however. The Secretary of State's office would have the specifics of future development.

Technical Assistance Division Chief Carla Wardlow added that she did not think that anyone has looked at the system in that particular way. Currently, the main goal is to get everyone at the state level filing electronically and eliminate the paper version of the forms. But, this is something the Commission could look at in the future. It is not on the table at the moment.

David Hulse, from the Political Reform Division of the Secretary of State's office, commented that Commissioner Remy's suggestion was good. It expands on the original intention of SB 49, and may require an amendment to SB 49 or new legislation. Currently, the Secretary of State's office is attempting to push forward on the paperless area first. There is much cooperation on this issue. Major donors have a lower threshold for reporting under the electronic filing system, so many still file paper copies. The lobbying reports were the best way to start with a paperless system. They look forward to moving paperless on all of their reports, including registration. Mr. Hulse further noted that the public is burdened by these paper forms, which are complicated. The next step is to come back to the forms, which have been put in electronic form in a manner that captures every line that was on the paperless form, and decide on the exact data that is needed on these forms and amend them accordingly. He suggested a summit or some method by which all interested parties can have input.

General Counsel Luisa Menchaca added that the regulation represents a collaborative effort with the Secretary of State's office. These paperless filing issues present legal and technical challenges. Staff concluded that more ongoing discussions are needed with the Secretary of State's office in order to assess needs of filers and to offer suggestions. She said that the Commission staff is proud of the collaborative project.

Commissioner Downey moved to adopt the regulation.

Commissioner Blair seconded the motion. Commissioners Blair, Downey, Huguenin, Remy, and Chairman Randolph supported the motion, which carried with a 5-0 vote.

Item #13. Pre-notice Discussion of Amendments to Regulation 18570 – Return of Contributions with Insufficient Donor Information.

Executive Fellow Theis Finlev explained that this regulation relates to procedures by which a committee would return contributions made with insufficient donor information. Under section 85700 of the PRA, a candidate or committee shall return contributions over $100 that do not include the address, name, occupation, and employer of the contributor. The Technical Assistance Division (TAD) has received inquiries on how one should handle contributions that need to be returned. TAD suggested that these callers ask for written advice, but none of these have been received, and the Commission has not issued any opinion on the matter. Staff propose to amend the regulation to provide that returned contributions that are not cashed within 90 days of the date that they were returned must be turned over to the state or local general fund.

Commissioner Downey asked why the regulation says that the local refund "may" be paid to the general fund of the local jurisdiction rather than "must" be paid.

Mr. Finlev said that, for a local election, if the money did not go to the local general fund, it would go to the state general fund at the discretion of the committee that is returning the check. For a state candidate, it would go to the state general fund. The word "may" mirrors language that is already in the regulation under subsection (c) relating to contributions that cannot be returned.

Mr. Tocher added that the provision was animated by a request for an opinion that was issued to the Los Angeles Ethics Commission, which dealt with a situation where there were returned contributions in connection with a local election. Where the contributions should go depended on the agency that was prosecuting the case. If a local ethics agency went after a local case, the local agency would be entitled to turn the contribution over to the local general fund. But, if a state prosecutor or the FPPC prosecuted the case, then the contribution would go to the state general fund.

Commissioner Downey said that makes sense, but he questioned whether the local committee's treasurer should be able to have the flexibility to make such a determination of where to forward the contribution.

Mr. Tocher said that, to his knowledge, this has not surfaced as a problem thus far.

Chairman Randolph commented that the statute would not preclude the Commission from saying "shall" be paid to the local general fund. The idea in the current draft is that the state entity could say that it could go to the state or local general fund. It is not required to be given to the local general fund.

Mr. Finlev added that staff received a suggestion to add that contributions should be returned by check as opposed to "with a check." This is a clarifying change that makes sense. Thus, the first line would read, "contributions are returned by check pursuant to government code…"

Commissioner Remy added that it makes more sense for these contributions to stay in the local jurisdiction and believes that the preference ought to be that contributions received for a local election should go to the local general fund. He suggested making this more definitive.

Ms. Menchaca responded that staff will look at the issue before bringing it back to the Commissioners for adoption. The Commission may want to consider whether the local jurisdictions would want the contribution, given the amount of trouble it would take to deposit the money into their general fund.

Chairman Randolph commented that she knows of no city that would decline the contribution. She asked staff to bring the regulation back with both options.

Commissioner Downey added that the problem with a mandatory provision is that if the FPPC initiates the enforcement, it would like to be rewarded on behalf of the state. He supports bringing it back with both options.

Commissioner Huguenin clarified that it would require a change in subdivision (c) as well, in order to keep the structure parallel.

Chairman Randolph said that the regulation will come back to the Commissioners in June.

Item #14. Pre-notice Discussion of Adoption of Regulation 18571 – Payment to the General Fund of Laundered Contributions.

This item was removed from the agenda.

Item #15. Pre-Notice Discussion of Proposed Regulation 18530.7 – Extensions of Credit (Section 85307).

Commission Counsel Natalie Bocanegra explained that this item is a Proposition 34 regulatory project addressing section 85307 to determine whether the term "extension of credit" should be defined by regulation and what the scope of such a definition should be. There are two versions of proposed regulation 18530.7 in order to provide guidance on section 85307. Version A provides that an extension of credit, which consists of a provision of goods or services pursuant to an agreement between the provider of the goods or services and the candidate or committee is a contribution subject to the limits of section 85307(a) where the payment is not due until a later date and the transaction was not in the ordinary course of the provider's business. Under this version, it is presumed that a transaction is within the ordinary course of the provider's business if certain criteria are met. The criteria include: 1) the credit arrangement for the provision of goods or services is recorded in a written instrument, 2) that it is a primary business of the provider to provide similar good or services on credit, 3) that the provider enters into the credit arrangement with the intent that the candidate or committee pay according to the terms of the agreement, and if the candidate or committee is unable to fulfill those terms, that the provider entered into the agreement without any knowledge that the candidate or committee would not be able to pay, and 4) the provider must make reasonable efforts to collect the full amount of the payment owed within four months of the date that the payment was due under the terms of the agreement.

Ms. Bocanegra added that optional language is included to require that the written instrument recording the credit arrangement is signed by the candidate or committee or its agent, and also that reasonable efforts made by the provider must include three successive demand letters warning of possible legal action after the time for payment has expired.

Ms. Bocanegra explained that under version A, a candidate or committee that engages in a credit transaction which began in the ordinary course of business would report the transaction as an accrued expense. If the transaction is later altered to extend the time for repayment beyond that which is usually allowed for other customers, for example, then that transaction is no longer within the ordinary course of business and would need to be reported as a contribution, not an accrued expense. The main function of this regulation is to distinguish situations where a provider carries on business as usual with no intention of making a political contribution. Under this regulation, a provider's services would be presumed to be reported as accrued expense if all

of the criteria are met. If the provider does not meet that criteria, then it is still possible for the provider to show that the transaction was done in the ordinary course of business. Once the criteria are met, the transaction is presumed to be in the ordinary course of business.

Commissioner Downey said that the four points in version A do not speak to a situation where the usual 10% deposit is waived for a campaign or committee. The format of the transaction is not part of the definition of "ordinary course of business." He asked at what point does a provider step outside of the ordinary course of business.

Ms. Bocanegra responded that this is an area of concern, and staff would like guidance on whether it is desirable to have a presumption, and criteria that establish such a presumption, and whether the presumption should be rebuttable. Also, staff wonder whether other factors should be considered, such as whether the transaction is offered on the same terms and conditions is offered to customers generally. There is also concern regarding the enforcement of the regulation, because it would make it incumbent on the Enforcement Division to establish that the transaction had not been done in the ordinary course of business as opposed to placing the burden on the candidate or committee to show that it had been done in the ordinary course of business.

Chairman Randolph clarified that if the four factors are met, then that shifts the burden to the Enforcement Division to show that the transaction is not in the ordinary course of business. She asked if that was correct.

Ms. Bocanegra said that the regulation provides that the transaction was not in the ordinary course of business, and that the Enforcement Division would have to establish that the transaction was not in the ordinary course of business.

Ms. Bocanegra went on to explain that under version B, whether an extension of credit by a provider becomes a contribution is based on whether a credit arrangement extends for more than 30 days. It is based on the old Proposition 208 regulation and contains a rule for when the 30-day count begins. It also contains a safe harbor provision for providers. If all of the criteria are met, the "safe harbor" gives the provider a complete defense in any enforcement action initiated by the Commission, relieves the provider of any reporting requirements, and will be evidence of good faith conduct, by anyone, in any subsequent civil, criminal, or administrative proceeding.

Commissioner Huguenin added that version B appears to provide a bright line rule rather than a provider-specific rule. Thus, under version A, the Enforcement Division would need to look at each provider separately and determine what the ordinary business practices are for each type of business. These practices vary among providers and depend on particular classes of customers. For example, businesses may waive fees and accommodate good repeat customers over others. The enforcement under version A would be tricky, because a rule would need to be created based on each type of provider.

Ms. Bocanegra responded that Commissioner Huguenin's comments were true. She added that it was expressed at the interested person's meeting that a one-size-fits-all rule of a time-driven standard would be difficult to apply and that the flexibility of the ordinary course of business rule

has benefits. This issue is a policy consideration, as there are benefits and drawbacks to both approaches.

Commissioner Downey said that his first reading of the issue left him leaning toward version A, but he has an open mind. He was concerned about version B, because it may result in situations where the reporting and enforcement standards would be different, because the provider may not require payment for 100 days. This would be considered a contribution, where the candidate or committee would need to report it, but the provider would not need to report it because the provider met the criteria for the safe harbor provision. This seemed inconsistent.

Ms. Bocanegra said that if it was not a contribution under the regulation, then it would not be a contribution for any purpose – it would always be parallel.

In response to a question, Ms. Bocanegra noted that the Commission would be defining whether it was a contribution, so if the provider fell under the safe harbor provision, then it would not be an extension of credit subject to the contribution limits.

Ms. Menchaca added that she believes that section 85307 refers one back to the other contribution limits, such as 85301. Section 85301 provides that both the person making and the person accepting the payment is subject to the limit. Under version A, she thinks that both the provider and the candidate would be subject to the same rules.

Commissioner Downey commented that he believes that is the way the interpretation should come down, but he questions whether the current language makes that clear. He suggested that this could be discussed more later, since this item is only pre-notice.

Chairman Randolph added that she thinks that scenario is a problem.

Ms. Menchaca further noted that a provider would not be subject to enforcement, but this would still be reportable as a contribution.

Chairman Randolph explained that she liked the idea of a bright line, but perhaps staff could rethink how this is structured. If a person gets a longer period of time for payment, but that is within the ordinary course of business, then there is no reason that it would be considered a contribution, because it would not be made for political purposes.

Commissioner Huguenin commented that the pricing structure of automobiles, for example, is built into the financing scheme, and this varies among businesses. He preferred the bright line rule as well, because it is clear and because the Enforcement Division would not need to figure out a different rule for each type of business.

Commissioner Downey added that version A would eliminate the problem of inconsistent reporting and safe harbor criteria. The advantage to A is that it is flexible. The commonality of all of the different kinds of providers is that there is an ordinary course of business that can be found. The Enforcement Division is not hamstrung by A. Trying to pin each of these providers to a specific payment schedule under version B does not fit here. He said the Commission needs

the flexibility of version A because of the diversity of providers that are involved in these transactions.

Chairman Randolph suggested re-working the safe harbor concept to incorporate the standard time frames and use some of what is in version A to create a subjective standard of what is in the ordinary course of business.

Commissioner Remy added that he was trying to see how the safe harbor provision, which states that one condition is that the transaction would be offered to customers generally, would work when a campaign runs up a large tab of several days or weeks of expenses at a hotel and then leaves. If the hotel makes good faith efforts to collect on the bill and the campaign fails to pay over the course of several months, then the hotel may decide to negotiate a mitigated bill for the campaign. This would leave a specific amount that is not paid by the campaign because the hotel would rather collect some monetary payment than to collect none at all. He asked how this would this fit into the regulation.

Ms. Bocanegra responded that when applying the provisions regarding terms and conditions that are offered to customers generally, the Commission might compare businesses contracting with the hotel for similar service.

Chairman Randolph wondered whether it would be helpful to add language to include a provision to allow a provider to agree to accept partial payment after making reasonable efforts to collect payment and still be within the safe harbor. At some point a provider must decide how far they want to push the collection process and make a mitigated payment deal instead. When the Commission says that "reasonable efforts" must be made, it should not mean that a provider take all legally available options of collection.

Commissioner Downey added that the Commission should not give the providers a mandate on how to conduct collection activity. This is one reason why he did not care for the language relating to requiring three successive demand letters. He agreed with the Chairman's suggestion. The language in subparagraph A4 in version B is okay, but perhaps it needs additional language saying that compromise under appropriate circumstances will not disqualify one from not having to report the amount as a contribution.

Commissioner Blair said that printers, for example, may have made typos on a mailer, but the campaign mailed them before realizing the typos and later refused to pay for them. He asked what the Commission would do in that case.

Commissioner Huguenin added that the problem is deciding the criteria by which the transaction should be considered at arms-length or otherwise, and the law is full of cases in other areas that deal with the question of arms-length transactions.

Commissioner Blair said that in today's business world, it is more complicated to define "ordinary course" of the provider's business. It depends on so many things that putting the onus on a provider to define the ordinary course of its business gets more complicated. He tends to

lean toward a clear definition for services for political activities, even if that definition is different than the normal course of business. To do otherwise would result in confusion.

Chairman Randolph said that on decision point 4, she agreed with Commissioner Downey that the Commission should not give specific requirements of three legal demand letters. She would like to think more about decision point 3, requiring a written instrument.

Ms. Bocanegra said that the language in both versions requires a written instrument. The decision point was whether the written instrument needs to be signed by both the committee and the provider. A purchase order would likely not fall into this category as it is something that is signed by the provider and not necessarily by the candidate or committee.

Commissioner Blair responded that a purchase order typically comes from the buyer authorizing the seller to provide the goods at a certain price.

Ms. Bocanegra responded that she was referring to retail invoices.

Commissioner Downey said it is typical for a printer, for example, to ship goods requested by phone to a committee with an invoice, which often does not have the buyer's signature.

Chairman Randolph asked why the language should require a signature by the committee.

Ms. Bocanegra responded that it would help in establishing the facts of the transaction and whether it occurred in the normal course of business.

Chairman Randolph said that she did not see the need to require signature by the candidate or committee and that a written instrument is enough.

Commissioner Downey agreed.

Commissioner Huguenin said that a purchase order typically show the authorization for the buyer's institution to contract for the goods. They usually have no credit information, because credit is usually included in the seller's document. He believes that the candidate or committee should sign an instrument, but the Commission should be careful in naming the instrument. Not many written instruments define the credit relationship.

Chairman Randolph said that she did not think it was too much to ask that the credit arrangement be in a written instrument. She said she is comfortable with requiring the written instrument but does not see the need for that instrument to be signed as a requirement to being included under the safe harbor provision.

Commissioner Blair said he would like to leave the signing requirement in the decision points to be considered again at a later date.

Commissioner Remy suggested eliminating decision points 3 and 4 in the final analysis, but requested they be left in for the future discussion. He said he would not support the "three signed letters" requirement nor the signature requirement.

Chairman Randolph suggested eliminating decision point 4 and leaving decision point 3 to be included in further discussions. She added that decision point 1 asks whether to limit the regulation to contribution limits under section 85307. She did not see any reason not to expand the regulation beyond section 85307.

There was no objection to her suggestions.

Item #16. Legislative Report.

Commissioner Blair asked what the difference is between "neutral" and "no position."

Executive Director Mark Krausse responded that a "neutral" position means that the Commission considered the bill and affirmatively took a neutral position. "No position" implies that the Commission did not consider it or take a position and is not on record with a position. Historically, Commissioners have generally felt that the Commission's duty is to implement and enforce the PRA rather than take an active role on legislation. In addition, it is good practice to wait and see how many bills make it out of committee before taking a specific position. The bills that are analyzed and have a "no position" recommendation are ones that staff looked at the bill and do not feel that there is any problem with it and that it is not necessary for the Commission to take a position.

Mr. Krausse explained that the definitional difference between "no position" and "neutral" can be best explained in the context of the bill it references. Regarding SB 784, Mr. Krausse explained that in 1997, there was friction over whether a payment solicited by an elected official on behalf of a third party nonprofit should be reported as a contribution, gift, or something else. These payments are now reported separate from contributions and gifts in binders that are publicly accessible. These payments are rare and occur when a public official is involved in community or nonprofit efforts and is asking for donations for the activity. SB 784 would increase the dollar amount threshold and push back the reporting deadline. Some staff felt it was unnecessary and that the current threshold and time limits are sufficient, and other staff were fine with the bill. Mr. Krausse said that offering a "neutral" position helped resolve some of the disagreement that staff had on this bill.

Commissioner Remy said that by taking a "no position" or "neutral" position, a problem arises when the bill passes committee and moves onto the next house, where the Commission is then in a position where it might want to take a stronger position. Most authors would get upset if they do not find out that an agency has a problem with their bills but has waited until it goes to the other house to take a stronger position.

Chairman Randolph responded that bills which receive a "no position" recommendation are those with which staff has no problem. If the bill changed, however, the Commission would be entitled to change its position.

Mr. Krausse added that he would not recommend taking an oppose position on any of the bills that were analyzed for this Commission meeting. For example, staff are uneasy about AB 513, which relates to bond consultants who are lobbying at the local level. This is the first example under the PRA where lobbyists would need to register and report lobbying activity in the local government setting. In this case, it is a different idea that is proposed and staff have no strong basis for articulating opposition to the measure but wanted the Commissioners to know about the bill.

Chairman Randolph added that the bill does not affirmatively do harm, but it is also not something that the Commission would want to encourage.

Mr. Krausse commented that if he thought there was anything that might need to be opposed at a later date, he would have raised it as a staff concern in the analysis and communicated it to the author's office. In addition, the two-thirds vote requirement imposed on any amendment to the PRA operates as a sieve on the bills as they move through the legislative process.

Mr. Krausse explained that many people might expect the Commission to support AB 583, relating to public funding for campaigns. However, this bill has a high likelihood of becoming an initiative, and the Commission has a prohibition against taking part in any ballot measures. Therefore, the Commission should stay clear of taking a position on any bill that we may foresee becoming a ballot measure in the future.

Commissioner Remy noted that a number of analyses identify a minimal fiscal impact on the Commission, but that multiple "minimal fiscal impact" bills may add up to a significant cost. He questioned how the Commission handles the cumulative effect of these kinds of bills.

Mr. Krausse responded that he typically views $10,000 to $20,000 as a threshold to say that anything over that is significant enough to make it an issue. When the cost rises above that level, the Commission articulates that there will be more workload and costs incurred on the Commission. Then, during budget hearings, the Commission will identify the funding that is provided against the great number of mandates that have more recently been imposed on the Commission. In the past, this has helped the Commission reduce the amount by which it was cut.

Commissioner Downey acknowledged Commissioner Remy's point but added that staff have shown their keen awareness of cost issues and have noted cost concerns when it was appropriate.

Mr. Krausse further added that Senator McClintock amended SB 787 to remove all FPPC staff and commissioners from the bill.

INFORMATIONAL ITEMS

Item #17. Executive Director's Report.

Executive Director Mark Krausse added that Commissioners Huguenin and Remy noted that the Commission's strategic plan has not been updated. Therefore, staff would like to plan an informal strategic plan meeting in June to discuss updating the plan.

Item #18. Litigation Report.

General Counsel Luisa Menchaca had nothing to add.

Chairman Randolph said that the opposition brief in the Agua Caliente case was received and the Commission is waiting for a hearing date to be set by the California Supreme Court. She anticipated that the hearing would likely be months away.

Commissioners went into closed session at 11:06 a.m.

Commissioners came out of closed session at 11:43 a.m.

The meeting adjourned at 11:50 p.m.

Dated: April 22, 2005

Respectfully submitted,

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Whitney Barazoto
Commission Assistant

Approved by:

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Liane Randolph
Chairman